

## **EXHIBIT 1**

### **INTRODUCTION**

Respondent James C. Ledford, Jr. is serving his eighth term as the Mayor of the City of Palmdale. He was re-elected in the November 4, 2003 Consolidated General Election. Respondent Committee to Re-elect Jim Ledford ("Committee") was, at all times relevant, Respondent Ledford's candidate-controlled committee. Respondent Ledford acted in the capacity of treasurer. This case arose from an audit of Respondents by the Franchise Tax Board ("FTB") for the reporting period January 1, 2002 through December 31, 2003. During the audit period, Respondents reported receiving contributions totaling \$74,457, and making expenditures totaling \$40,594.

For the purposes of this Stipulation, Respondent's violations of the Political Reform Act<sup>1</sup> (the "Act") are stated as follows:

**COUNT 1:** Respondent James C. Ledford, Jr. failed to disclose three late non-monetary contributions totaling approximately \$15,000 made to Steve Hofbauer, Raul Figueroa, and Robert "Bo" Bynum, on or about November 3, 2003, in a properly filed late contribution report, in violation of Section 84203.

### **SUMMARY OF THE LAW**

An express purpose of the Act, as set forth in Section 81002, subdivision (a), is to ensure that contributions and expenditures in election campaigns are fully and truthfully disclosed, so that voters may be fully informed, and improper practices may be inhibited. To that end, the Act sets forth a comprehensive campaign reporting system designed to accomplish this purpose of disclosure.

#### **Duty to File Campaign Statements**

Under the Act's campaign reporting system, recipient committees, as defined in Section 82013, subdivision (a), are required to file certain specified campaign statements and reports.

#### **Duty to File Late Contribution Reports**

Under Section 84203, subdivision (a), when a committee makes or receives a late contribution, the committee must disclose the contribution in a late contribution report filed at each office with which the committee is required to file its next campaign statement pursuant to Section 84215, within 24 hours of making or receiving the contribution. Section 82036 defines a "late contribution" as a contribution which totals in the aggregate one thousand dollars (\$1,000) or more that is made or received before an election, but after the closing date of the last campaign statement

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<sup>1</sup> The Political Reform Act is contained in Government Code sections 81000 through 91014. All statutory references are to the Government Code unless otherwise indicated. The regulations of the Fair Political Practices Commission appear at 2 California Code of Regulations section 18109, et seq. All regulatory references are to Title 2, Division 6 of the California Code of Regulations, unless otherwise indicated.

that is required to be filed before the election. Under Section 84200.7, for an election held in June or November of an even-numbered year, the late contribution period covers the last 16 days before the election. Under Section 84200.8, for an election not held in June or November of an even-numbered year, the late contribution period covers the last 16 days before the election.

## **SUMMARY OF THE FACTS**

Respondent Ledford has been the mayor of the City of Palmdale since 1992 and is now serving his eighth term as the Mayor of the City of Palmdale. He was re-elected in the November 4, 2003, Consolidated General Election. Respondent was acting as his own treasurer.

### **COUNT 1**

#### **Failure to Timely File Late Contribution Reports**

Respondent Ledford had a duty to report making a late contribution report within 24 hours of making the contribution. The late contribution reporting period for the November 4, 2003, Consolidated General Election was from October 19, 2003 through November 3, 2003. Respondent Ledford made late non-monetary contributions to three different candidates: Steve Hofbauer, Raul Figueroa, and Robert “Bo” Bynum. These non-monetary contributions were in the form of mailers and signs supporting these candidates. Respondent Ledford reported these contributions as being made on December 24, 2003 (more than seven weeks after the election); however, based on the information obtained from the printer, these materials went out during the weeks of October 20, 2003, October 28, 2003, and October 30, 2003, supporting Respondent Ledford and the three other candidates. These weeks are within the late contribution report period. Respondent Ledford concedes that the materials were sent out prior to the election. The amounts, as reported by Respondent Ledford, are as follows: Steve Hofbauer: \$7,973; Raul Figueroa: \$5,571; and Robert “Bo” Bynum: \$1,988.

These contributions were not reported by Respondent Ledford until his semi-annual statement filed on February 2, 2004, and should have been reported within 24 hours of making of contribution. By failing to disclose late contributions in a properly filed late contribution report, Respondent Ledford violated Section 84203, subdivision (a).

## **CONCLUSION**

This matter consists of one count of violating Section 84203, subdivision (a), which carries a maximum administrative penalty of Five Thousand Dollars (\$5,000).

In determining the appropriate penalty for a particular violation of the Act, the Enforcement Division considers the typical treatment of a violation in the overall statutory scheme of the Act, with an emphasis on serving the purposes and intent of the Act. Additionally, the Enforcement Division considers the facts and circumstances of the violation in context of the factors set forth in Regulation 18361.5, subdivision (d)(1)-(6): the seriousness of the violations; the presence or lack of intent to deceive the voting public; whether the violation was deliberate, negligent, or inadvertent; whether the Respondent demonstrated good faith in consulting with Commission staff; whether

there was a pattern of violations; and whether the Respondent, upon learning of the violations, voluntarily filed appropriate amendments to provide full disclosure.

In mitigation, Respondents cooperated with the investigation and the violation did not appear deliberate or intentional.

In aggravation, Respondent Ledford never filed the late contribution report and the information was not available until after the election. Additionally, investigation of this matter was difficult because of the lack of records maintained by Respondent Ledford.

The facts of this case, including the aggravating and mitigating factors discussed above, justify imposition of the agreed upon penalty of Three Thousand Five Hundred Dollars (\$3,500).